employment and rural development programmes under the Twenty Point Programme.

Direct investment by Indians abroad.

1147. SHRI GOVINDRAO ADIK: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have prepared a set of guidelines for Indian investment in joint ventures and wholly owned subsidiaries abroad;

(b) whether Government have formed a Committee for this purpose; and

(c) if so, the details thereof including the guidelines prepared therein?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) Yes Sir. Government have revised the Guidelines for Indian investment in joint ventures and wholly owned subsidiaries abroad. The revised guidelines have been notified on 17.8.95. The salient features of these guidelines are as under:

(i) All applications for grant of approval for setting up of joint ventures/wholly owned subsidiaries abroad will now be made to and processed by the Reserve Bank of India (Exchange Control Department), Bombay.

(ii) The total investment by an Indian party under the fast track (Category "A") has been revised upward from US$ 2 million to US$ 4 million, provided the amount of investment is upto 25% of annual average export earnings of the company in the preceding three years, and the proposal is FE neutral over a period of five years. Out of the overall limit of US$ 4 million, the Indian party may opt for cash remittance or capitalisation of fees/royalties/export proceeds, or give loans or corporate guarantees.

(iii) Cases under the normal route (Category "B") i.e. cases involving investments beyond US$ 4 million but not exceeding US$ 15 million, or those not falling under the fast track category will be processed by RBI through a Special Committee, to be chaired by Commerce Secretary, with the Deputy Governor, RBI as the alternate Chairman. This Committee has since been constituted by the RBI, and has as members representatives of the Ministry of Commerce, Ministry of Finance, Ministry of External Affairs and the RBI.

(iv) Investment proposals in excess of US$ 15 million will be considered if the required resources beyond US$ 15 million are raised through the GDR route. Investment proposals beyond US$ 15 million without the GDR resources will be considered only in very exceptional circumstances where the company has a strong track record of exports. All cases involving investment beyond US$ 15 million will be received in the RBI and transmitted, with the recommendations of the Special Committee, to the Ministry of Finance for examination keeping in view the overall benefit.

(v) A final decision will be communicated by the RBI within 21 days in respect of applications under Category "A" and 60 days in respect of applications under Category "B".

(vi) In special cases involving acquisition through participation in time bound bidding/tender procedures, the RBI may grant "in principle" approval.

Subsidised wheat to Roller Flour Mills

1148. SHRI VIRENDRA KATARIA: will the Minister of FOOD be pleased to state:

(a) whether Government are aware that the roller flour mills getting wheat at